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11

12 UNITED STATES DISTRICT COURT

13 CENTRAL DISTRICT OF CALIFORNIA — WESTERN DIVISION

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UNITED STATES OF AMERICA,
EX REL. NYOKA LEE and
TALALA MSHUJA,

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Plaintiff,

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vs.

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CORINTHIAN COLLEGES INC., et
al.

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Defendants.

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CASE NO. CV 07-01984 PSG (MANx)

**DECLARATION OF TIMOTHY J.
HATCH IN SUPPORT OF
DEFENDANT ERNST & YOUNG
LLP'S MOTION FOR ATTORNEYS'
FEES AND SANCTIONS**

[Defendant Ernst & Young LLP's Notice
Of Motion And Motion For Attorneys'
Fees and Sanctions, Declaration of Ryan
G. Hassanein, and [Proposed] Order filed
concurrently herewith]

Date: June 10, 2013

Time: 1:30 p.m.

Ctrm: 880

Judge: Hon. Philip S. Gutierrez

EXHIBIT B FILED UNDER SEAL FOR IN CAMERA REVIEW

PUBLIC VERSION

1 I, TIMOTHY J. HATCH, hereby state and declare as follows:

2 1. I am an attorney licensed to practice before this Court and am a partner
3 in the law firm of Gibson, Dunn & Crutcher LLP (“Gibson Dunn”), counsel of
4 record for Defendant Ernst & Young LLP (“EY”) in this matter from July 2, 2009
5 through June 25, 2012.

6 2. I submit this declaration in support of EY’s Motion for Attorneys’
7 Fees and Sanctions. I make this declaration based on personal knowledge and
8 based on information provided to me by my colleagues at Gibson Dunn.

9 3. Gibson Dunn is an internationally recognized law firm with over 1,000
10 lawyers in 18 offices. The firm has twice won *American Lawyer’s* Litigation
11 Department of the Year Award. Gibson Dunn regularly acts as lead counsel in
12 federal and state litigation across the country, including representing clients in high-
13 profile disputes arising under the False Claims Act.

14 4. It is my understanding that EY seeks compensation from Relators’
15 counsel, Scott Levy (“Relators’ Counsel”), for the attorneys’ fees and expenses it
16 incurred between the unsealing of the original complaint on February 25, 2009,
17 through March 15, 2013, the date of the Court’s order granting EY’s jurisdictional
18 motion. Gibson Dunn attorneys billed EY for services on this matter from June 24,
19 2009 to June 25, 2012. Attached hereto as **Exhibit A** is a summary chart accurately
20 representing the hours worked and billing rates of Gibson Dunn attorneys who
21 charged EY in this matter from June 24, 2009 through June 25, 2012. The
22 summary has been prepared based on Gibson Dunn’s billing invoices submitted to
23 and paid by EY during this matter.

24 5. Attached as **Exhibit B** is a compilation of all billing entries for work
25 done on this matter from June 24, 2009 through June 25, 2012 by Gibson Dunn
26 attorneys for which EY seeks compensation from Relators’ Counsel. The
27 compilation has been prepared based on Gibson Dunn’s billing invoices submitted
28 to and paid by EY during this matter.

1 6. Gibson Dunn charged EY **\$253,850.34** in attorneys' fees and expenses
2 from June 24, 2009 through June 25, 2012. As set forth in Exhibits A and B
3 attached hereto, Gibson Dunn billed EY in the following amounts:

4 a. \$178,441.34 in attorneys' fees (290.7 attorney hours) were charged
5 to EY at Gibson Dunn's hourly rates. These fees were calculated
6 by multiplying actual hours spent by each attorney on this case by
7 the billing rate for that attorney actually charged to EY at the time
8 the work was performed. A portion of these fees were discounted
9 pursuant to an agreement with EY.

10 b. \$73,268.82 (116.2 attorney hours) was charged to EY under a
11 fixed-fee agreement. The amount charged to EY under the fixed-
12 fee agreement represents a lower fee than if Gibson Dunn had
13 billed EY under its hourly rates for that time period.

14 c. \$2,140.18 in legal research fees were reasonably and necessarily
15 incurred by Gibson Dunn and charged to EY in this matter.

16 7. As reflected in Exhibits A and B attached hereto, the following Gibson
17 Dunn attorneys billed time to this matter:

18 a. I billed time to this matter from 2009 to 2012. I graduated from the
19 University of Wisconsin Law School in 1980. I am a partner with
20 Gibson Dunn and joined the firm in 1987. In that capacity I have
21 been involved in numerous actions brought pursuant to the False
22 Claims Act, both by the Department of Justice and by *qui tam*
23 relators, against an array of recipients of government funding,
24 including government contractors, health care providers and
25 educational institutions. I billed time to this matter at hourly rates
26 ranging from \$790 to \$900.

27 b. James L. Zelenay, Jr., a Gibson Dunn associate, billed time to this
28 matter from 2009 to 2012. He graduated from Harvard Law School

in 2004. Prior to joining Gibson Dunn, Mr. Zelenay served as a law clerk to the Honorable Nora M. Manella in the United States District Court for the Central District of California. He has substantial experience with the False Claims Act and whistleblower litigation, where he has represented educational institutions, pharmaceutical companies, and accounting firms, among other clients. The hourly rates he billed on this matter ranged from \$465 to \$607.

- c. Douglas R. Cox, a Gibson Dunn partner, billed time to this matter in 2011 and 2012. He graduated from Harvard Law School in 1980. Mr. Cox frequently represents accounting firms in a variety of matters, including matters involving the SEC and PCAOB. In 2005, Chief Justice Rehnquist appointed Mr. Cox to serve as a member of the Judicial Conference Standing Committee on Rules of Practice and Procedure. In 2008 he was reappointed by Chief Justice Roberts, and he completed his service in 2011. He billed time on this matter at the rate of \$876 per hour.
- d. Adam L. Yarian, a Gibson Dunn associate, billed time to this matter in 2011 and 2012. He graduated from the University of Chicago Law School in 2011. He billed time on this matter at the rate of \$349 per hour.
- e. Lucas C. Townsend, a Gibson Dunn associate, billed time to this matter in 2011. He graduated from the Seton Hall University School of Law in 2004. Prior to joining Gibson Dunn, Mr. Townsend served as a judicial clerk to the Honorable Samuel A. Alito, Jr. of the Supreme Court of the United States, the Honorable Maryanne Trump Barry of the United States Court of Appeals for the Third Circuit and the Honorable Harold A. Ackerman of the

6 f. Jeremy S. Ochsenbein, a Gibson Dunn associate, billed time to this
7 matter in 2011. He graduated from the Duke University School of
8 Law in 2009. He billed a limited amount of time on this matter (5.3
9 hours) at the rate of \$403 per hour.

10 g. Robert B. Hubbell, a former Gibson Dunn partner, billed time to
11 this matter in 2010. He graduated from Loyola Law School in 1978
12 and then served as a law clerk to the Honorable Stephen Reinhardt
13 of the U.S. Court of Appeals for the Ninth Circuit. Mr. Hubbell has
14 more than 20 years of experience defending accountants' liability
15 cases. He billed a very limited amount of time on this matter (.2 of
16 an hour) at the rate of \$795 per hour.

17 8. As a partner at Gibson Dunn, I am familiar with the billing rates of
18 attorneys both at Gibson Dunn's Los Angeles office and throughout the firm. In
19 handling litigation disputes for its clients, Gibson Dunn strives to offer rates
20 competitive with the rates at peer firms specializing in complex commercial
21 litigation.

22 I declare under penalty of perjury under the laws of the United States of
23 America that the foregoing is true and correct.

24 Executed in Los Angeles, California on April 24, 2013.

 Timothy J. Hatch